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LEGISLATIVE AUDITOR

OFFICE OF  
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September 17, 2007

To Whom It May Concern:

This report is not an audit performed in accordance with generally accepted *Government Auditing Standards* nor was it prepared by an independent Certified Public Accountant.

This report was submitted by Department of Agriculture employees whose work was not supervised by a CPA or the Legislative Auditor.

Sincerely,



Steve J. Theriot, CPA  
Legislative Auditor

SJT:JSI:ss

[SOILANDWATER]



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY  
BOB ODOM, COMMISSIONER



May 18, 2007

CONFIDENTIAL ASSISTANTS

LUKE A. THERIOT  
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Mr. Bill Conly  
Chairman, Saline SWCD  
P. O. Box 528  
Ringgold, LA 71068

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Soil & Water  
Conservation  
Bradley E. Spicer  
P.O. Box 3554  
Baton Rouge, LA 70821  
(225) 922-1269  
Fax: 922-2577

Dear Mr. Conly:

Attached is the Saline Soil and Water Conservation District Audit Report for the year ending June 30, 2006. Please be advised that during the recent audit, the state auditor found the following finding.

1. Capital Assets Net Depreciation: The department's audit revealed that the district is not in compliance with Governmental Accounting Standards Board Statement No. 34 with respect to reporting of capital assets. The balance sheet did not include the capital assets (land, buildings and equipment) net of depreciation. Statement 34 with respect to reporting of capital assets has not been applied to the district in the past, but will be applied starting with the next fiscal year.

To assist your district to eliminate this noncompliance the department will conduct area workshops to train district personnel on the proper preparation of depreciation schedules and preparation of the financial statements during the next fiscal year and prior to any audit of your district.

If we can assist your board in meeting it's administrative and program responsibilities, including resolving the finding identified in this audit, please let us know.

Sincerely,

  
Bradley E. Spicer  
Executive Director

BES:le  
Attachment  
cc: Bennie Tate (2)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/26/07

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**LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION**

**SALINE SOIL AND WATER CONSERVATION DISTRICT  
RINGGOLD, LOUISIANA**

**REPORT NO. 06-06-35**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006**

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

SALINE SOIL AND WATER CONSERVATION DISTRICT  
RINGGOLD, LOUISIANA

TABLE OF CONTENTS

	PAGE
AUDITOR'S AUDIT REPORT	1
AUDITOR'S REPORT OF COMPLIANCE WITH STATE LAWS AND REGULATIONS	2
EXHIBITS	
A. COMBINED BALANCE SHEET- ALL FUND TYPES AND ACCOUNT GROUPS	3
B. STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE	4
NOTES TO THE FINANCIAL STATEMENTS	6
SUPPLEMENTAL INFORMATION SCHEDULE:	
A. PER DIEM/MILEAGE PAID TO SUPERVISORS FOR THE YEAR ENDED	10

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

May 4, 2007

Board of Supervisors  
Saline Soil and Water Conservation District  
P. O. Box 528  
Ringgold, Louisiana 71068

RE: AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2006

Dear Board of Supervisors:

The audit and evaluation section of the Louisiana Department of Agriculture and Forestry (department) has conducted an audit of your district, including the district's accounts of receipts and disbursements for the fiscal year stated above. The purpose of this audit is to fulfill the statutory duty of both the State Soil and Water Conservation Committee and the department, as required by La. R. S. 3:1204© (3). The audit was conducted in accordance with policies and guidelines established by the committee and this department. The department believes that the audit provides a reasonable basis for this report. This report and the attached audit shall be filed with the legislative auditor as required by La R. S. 3:104 (C) (3).

This department, therefore, is reasonably assured that the operation of the district and the conduct of its affairs are in substantial compliance with applicable law, regulations, and policies and that the assets of the district are controlled and safeguarded, except as provided herein.

The department's audit revealed that the district is not in compliance with Governmental Accounting Standards Board Statement No. 34 with respect to reporting of capital assets. The balance sheet did not include the capital assets (land, buildings, and equipment) net of depreciation. Therefore the district statements are not in conformity with said Generally Accepted Accounting Principles (GAAP).

**DISCLAIMER:** The audit the district was conducted by a public employee, who is

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

not a certified public accountant, in the performance of that person's duties as a public employee, prepared this report. The audit and this report are designed to be used for Louisiana state government purposes only. Accordingly, the audit and this report are not designed for those who are not informed about such matters.

Sincerely,

  
Mark A. Tillman  
Audit Director

MAT: bt

cc. State Soil and Water Conservation Committee  
Legislative Auditor

**Exhibit A****Audited Combined Balance Sheet**

	<b>General Fund</b>	<b>Gen. Fixed Asset Group</b>	<b>Fund Balance 2006</b>	<b>Fund Balance 2005</b>
<hr/>				
<b>ASSETS</b>				
Cash	\$13,173.32		\$13,173.32	\$11,335.30
Petty Cash	\$0.00		\$0.00	\$0.00
Accounts Receivable	\$305.00		\$305.00	\$620.00
Money Market	\$0.00		\$0.00	\$0.00
Certificate Of Deposit	\$0.00		\$0.00	\$0.00
Savings	\$0.00		\$0.00	\$0.00
Prepaid Insurance	\$47.91		\$47.91	\$404.18
Prepaid Maintenance	\$0.00		\$0.00	\$0.00
Furniture & Equipment		\$3,657.17	\$3,657.17	\$8,185.87
Building		\$15,868.12	\$15,868.12	\$15,868.12
Land		\$200.00	\$200.00	\$200.00
<b>TOTAL ASSETS</b>	<b>\$13,526.23</b>	<b>\$19,725.29</b>	<b>\$33,251.52</b>	<b>\$36,613.47</b>
<b>LIABILITIES</b>				
Accounts Payable	\$2,537.63		\$2,537.63	\$0.00
Accrued Salaries	\$680.00		\$680.00	\$680.00
Accrued FICA	\$52.02		\$52.02	\$52.02
Accrued Retirement	\$0.00		\$0.00	\$0.00
Accrued Leave	\$1,360.07		\$1,360.07	\$1,258.20
Due to LDOAF	\$0.00		\$0.00	\$0.00
<b>TOTAL LIABILITIES</b>	<b>\$4,629.72</b>	<b>\$0.00</b>	<b>\$4,629.72</b>	<b>\$1,990.22</b>
<b>FUND EQUITY</b>				
Fund Bal.-Res.-Group Insurance	\$0.00		\$0.00	\$0.00
Fund Bal.-Res.-Other Insurance	\$47.91		\$47.91	\$404.18
Fund Bal.-Res.-Maintenance	\$0.00		\$0.00	\$0.00
Fund Bal.-Unreserved	\$8,848.60		\$8,848.60	\$9,965.08
Investments in G. F. A.		\$19,725.29	\$19,725.29	\$24,253.99
<b>TOTAL FUND EQUITY</b>	<b>\$8,896.51</b>	<b>\$19,725.29</b>	<b>\$28,621.80</b>	<b>\$34,623.25</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$13,526.23</b>	<b>\$19,725.29</b>	<b>\$33,251.52</b>	<b>\$36,613.47</b>

The accompanying notes are an  
integral part of this statement.

**EXHIBIT B****STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

	<b>GENERAL FUND 2006</b>	<b>GENERAL FUND 2005</b>
<hr/>		
<b>REVENUE</b>		
Area Meeting	\$0.00	\$0.00
Equipment Rentals	\$0.00	\$0.00
Farm Bill	\$4,979.00	\$6,517.00
Interest	\$76.98	\$66.25
Local Funds	\$1,100.00	\$0.00
Miscellaneous	\$0.00	\$0.00
Rent	\$7,784.04	\$7,045.53
Sale of Equipment	\$0.00	\$0.00
Seedlings	\$6,719.00	\$6,058.00
Stakes/Flags	\$0.00	\$0.00
State Funds	\$27,647.00	\$30,371.00
WRP	\$0.00	\$0.00
<b>TOTAL REVENUES</b>	<b>\$48,306.00</b>	<b>\$50,057.78</b>
 <b>EXPENDITURES</b>		
Advertisements (bid notices)	\$0.00	\$0.00
Area Meeting	\$120.87	\$138.25
Awards/Contests/Promotions	\$1,157.89	\$1,011.68
Bank Charges	\$0.00	\$0.00
Board Meetings-per diem	\$1,890.00	\$1,470.00
Board Meetings-mileage	\$830.56	\$789.92
Dues & Subscriptions	\$400.00	\$400.00
Equipment	\$0.00	\$0.00
Field Supplies	\$0.00	\$0.00
Insurance-group health	\$6,228.60	\$4,551.36
Insurance-other	\$2,220.19	\$2,547.49
Insurance-unemployment	\$0.00	\$0.00
Janitorial Services	\$1,980.00	\$1,530.00
Maintenance & Repairs	\$2,028.56	\$16,359.41
Office Supplies	\$751.79	\$891.22
Postage	\$333.00	\$473.00
Rent	\$0.00	\$0.00
Rentals	\$2,731.60	\$2,104.71
Salaries	\$17,781.87	\$17,136.20
FICA	\$1,542.63	\$1,470.85
Retirement	\$0.00	\$0.00
Seedlings	\$3,652.14	\$4,508.45
Telephone	\$911.47	\$983.68
Travel	\$1,145.34	\$879.80
Utilities	\$3,538.84	\$3,200.23
<b>TOTAL EXPENDITURES</b>	<b>\$49,245.35</b>	<b>\$60,446.25</b>
 Excess (deficiency) of Revenue over Expenditures	 (\$939.35)	 (\$10,388.47)

The accompanying notes are an  
integral part of this statement.



**EXHIBIT C****STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

	GENERAL FUND 2006	GENERAL Fund 2005
Fund Balance-Unreserved Beginning of the year	\$9,965.08	\$19,851.69
Excess (deficiency) of Revenue over Expenditures	(\$939.35)	(\$10,388.47)
Less: Prior Period Adjustment	(\$533.40)	\$490.00
Less: Establish F. B.-Reserved for Other Insurance	\$356.27	\$11.86
Less: Establish F. B. -Reserved for Maintenance	\$0.00	\$0.00
Fund Balance-Unreserved End of the Year	<u>\$8,848.60</u>	<u>\$9,965.08</u>

**OTHER FINANCING SOURCES**

Fund Balance-Reserved for Group Insurance (Beg. Balance)	\$0.00	\$0.00
Plus: Paid-in by Supervisors	\$0.00	\$0.00
Less: Paid-out by District	\$0.00	\$0.00
Less: Prior Period Correction	\$0.00	\$0.00

Fund Balance Reserved for Group Insurance (Ending Balance)	<u>\$0.00</u>	<u>\$0.00</u>
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Fund Balance-Reserved for Other Insurance (Beg. Balance)	\$404.18	\$416.04
Plus: Paid-in	\$1,863.92	\$2,562.63
Less: Paid-out	(\$2,220.19)	(\$2,574.49)

Fund Balance Reserved for Other Insurance (Ending Balance)	<u>\$47.91</u>	<u>\$404.18</u>
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Fund Balance-Reserved for Maintenance (Beg. Balance)	\$0.00	\$0.00
Plus: Paid-in	\$2,028.56	\$16,359.41
Less: Paid-out	(\$2,028.56)	(\$16,359.41)

Fund Balance Reserved for Maintenance (Ending Balance)	<u>\$0.00</u>	<u>\$0.00</u>
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The accompanying notes are an  
integral part of this statement.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

SALINE SOIL AND WATER CONSERVATION DISTRICT

RINGGOLD, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Louisiana Legislature created the Saline Soil and Water Conservation District. The District primarily assists farmers and other land users in the wise use of their lands and the prevention of erosion of farm and urban land and the pollution of waters in the state.

The governing board of supervisors administers the operations and responsibilities of the District in accordance with Louisiana Statutes. The board is comprised of five members.

In April 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November, 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent pronouncements are recognized as generally accepted accounting principles for state and local governments.

The financial statements of the Saline Soil and Water Conservation District are prepared in accordance with the standards established by the GASB. GASB Codification Section 2100 established criteria for determining the governmental reporting entity to be the Saline Soil and Water Conservation District. The accompanying statements present information only as to the transactions of the District.

**A. FUND ACCOUNTING**

The financial statements of the Saline Soil and Water Conservation District

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

are presented as if the accounts were organized on the basis of funds and account groups, each of which would be considered a separate accounting entity. Since the District has no financial resources, which are required to be accounted for in other funds, only a general operating fund was used.

**B. FIXED ASSETS**

Fixed assets used in the governmental fund type operations are accounted for in the General Fixed Assets account group, rather than the Governmental Fund. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

This account group is not a "fund." It is concerned with the measurement of financial position, not with measurement of operations.

**C. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The records are maintained on a cash basis and the accompanying financial statements have been converted to a modified accrual basis of accounting using the following practices:

**(1) Revenue**

State Funds are recorded when the District is entitled to the funds.

Newsletter sponsors and equipment rental are recorded in the year earned.

Interest income on time deposits is recorded when the deposits have matured and the income is available.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

Rents and royalties are recorded in the year earned.

Subsequently all other revenues are recorded when received.

(2) Expenditures

Expenditures were recognized in the accounting period in which the liabilities are both measurable and incurred.

**D. BUDGETARY PRACTICES**

A budget was submitted to the Office of Soil and Water Conservation, Louisiana Department of Agriculture and Forestry. State Funding for the year was based upon the allocation procedures established in the program rules and regulations.

**E. ANNUAL AND SICK LEAVE**

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. Unused annual and sick leave accumulates without limit. The number of hours of unused annual leave for which an employee may receive a lump sum payment upon termination from District employment may not exceed 300 hours.

At June 30, 2006 (fiscal close), the Saline Soil and Water Conservation District had accumulated and vested \$1,360.07, in leave privileges, required to be accrued under SFAS 43. Current year expenditures for salary and leave privileges total \$17,781.87.

**F. PENSION PLAN  
SOCIAL SECURITY BENEFITS**

Substantially all employees of the Saline Soil and Water Conservation District

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

are members of the Social Security System. The Employee contribution was 7.65% of gross salary from July 1, 2005, through June 30, 2006. The District Contributed an additional 7.65% of gross salary from July 1, 2005, through June 30, 2006. The District does not guarantee the benefits granted by the Social Security System.

**2. CHANGES IN GENERAL FIXED ASSETS**

The General Fixed Assets of the Saline Soil and Water Conservation District had a net decrease of \$4,528.70 for the year ended June 30, 2006.

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY  
AUDIT DIVISION

REPORT NO. 06-06-35

**4. COMPENSATION PAID TO BOARD MEMBERS**

The schedule of compensation paid to the Saline Soil and Water Conservation District Supervisors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Saline Soil and Water Conservation District Supervisors is included in the general administrative expenditures of the General Fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 3:1207.

PER DIEM/MILEAGE PAID TO BOARD MEMBERS  
FOR THE YEAR ENDING JUNE 30, 2006

BOARD MEMBER	MEETINGS REIMBURSED	PER DIEM	MILEAGE	TOTAL AMOUNT
W. E. Barron	12	\$ 420.00	\$256.80	\$ 655.20
William M. Conly	11	\$ 385.00	\$ 96.40	\$ 481.40
Roger Culbertson	12	\$ 420.00	\$280.88	\$ 700.88
R. P. Thomas	9	\$ 315.00	\$ 19.20	\$ 332.04
Henry D. Thrash	10	\$ 350.00	\$177.28	\$ 527.28
	TOTALS	\$1,890.00	\$830.56	\$2,726.80

TOTAL NUMBER OF BOARD MEETINGS DURING THE YEAR WAS 12.